

Report Overview

The Department of Defense fiscal year 2003 Performance and Accountability Report is designed to provide useful information for American citizens, the President, Congress, other federal organizations, and Department of Defense military members, civilians and contractors.

Our report encompasses the Department's operations for fiscal year 2003, which occurred from October 1, 2002 through September 30, 2003. It contains five parts. Combined, they provide a thorough accounting of the Department's stewardship of our critical resources and services to the American people.

The pressures on the Department's resources have never been greater and will continue to grow in the years ahead. Our response must be to focus relentlessly on efficient and careful use and management of these resources. Only by effectively measuring the results we achieve, as documented in this report, can we adjust the tactics and strategies we use to meet our goal of mission excellence, and deliver the best possible performance for our customers, the American people.

Part 1: Management Discussion and Analysis is a high-level overview of the Department's performance and financial information for fiscal year 2003. It is designed for citizens, members of the public, and officials from federal, state, and local government. Part 1 starts with a discussion of the Department of Defense (DoD) mission, organization and resources. It highlights the Department's performance—covered in more detail in Part 2—by summarizing the strategic plan and goals and the fiscal year 2003 annual performance goals and

results. Next, it provides financial highlights—covered in more detail in Part 3—for fiscal year 2003. The Department's compliance with legal and regulatory requirements are also discussed in this section. Part 1 concludes with a summary of the Department's status on meeting the President's Management Agenda objectives.

Part 2: Performance Information presents the Department's strategic plan, strategic objectives, annual performance goals, and annual performance results for fiscal year 2003 in accordance with the Government Performance and Results Act. It displays key performance indicators—and their fiscal year 2003 goals and results—that the Department uses to manage certain risk areas and to accomplish its strategic objectives.

Part 3: Financial Information is composed of the Department's principal financial statements, notes to these statements, consolidating and combining statements, and other required information for fiscal year 2003. This section includes the DoD Inspector General Auditors' Report on the Department's fiscal year 2003 financial statements. The Auditors' Report provides the Inspector General's assessment of whether the Department's financial statements are fairly presented, in all material respects, and in conformity with generally accepted accounting principles.

Part 4: Inspector General Summary of Management Challenges presents a summary of the most serious management challenges facing the Department. This assessment was prepared by the DoD's Office of Inspector General.

Part 5: Appendices presents detailed DoD performance indicators and a list of internet links for further information referred to in this report.

We are interested in your feedback regarding the content of this report. Please feel free to email your comments to DoDPAR@osd.mil or write to:

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